

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Focus Lumber Berhad (188710-V)	<b>Reference #</b>	GFSSBH 004-076
<b>Contact Person</b>	Ling Hao Wen (Director) Cindy Yapp Wan Fong (Account Clerk)	<b>Assessment Date</b>	23/07/2019
<b>Office Address</b>	12A, Jalan Teluk Likas, P. O. Box 576, 88856 Kota Kinabalu, Sabah, Malaysia.	<b>Date close out</b>	-
<b>Mill Address</b>	Mile 3, Jalan Masak, Kampung Ulu Patikang, Locked Bag 13 SM-88, 89009 Keningau, Sabah, Malaysia	<b>Telephone</b>	+6087 334 761/4/6 +6087 335 459
<b>Email</b>	focuskk@focuslumber.com.my focuskgu@focuslumber.com.my	<b>Fax</b>	+6088 393 255 +6088 393 169
		<b>Approved By</b>	Dr. Kevin Grace

### Statements

<b>Audit Statement #</b>	GFS 122 WTP		
<b>Issuance Date</b>	01 August 2019	<b>Expiration Date</b>	31 July 2020

### Assessment Details

<b>Company Type</b>	Sawmill / Kiln Dry / Wood Processing / Trading
<b>Scope of Assessment</b>	JP(N)KG002/00(X01) R, JP(N)KG003/06(X22), FDS(KG)(E)145/2018(M), FDS(KG)(I)038/2017(M)
<b>Product Group</b>	Veneer, Plywood, Blockboard, Laminated Veneer Lumber, Laminated Board
<b>Source of Material</b>	Malaysia (Sabah), Taiwan & Gabon.
<b>Species</b>	<i>Dryobalanops spp.</i> (Kapur), <i>Dipterocarpus spp.</i> (Keruing), <i>Shorea inappendiculata</i> (Selangan batu), <i>Koompassia malaccensis</i> (Impas), <i>Parashorea spp.</i> (White seraya), <i>Shorea spp.</i> (Red seraya, Yellow seraya, Melapi), <i>Scaphium spp.</i> (Kembang semangkuk), <i>Sapotaceae spp.</i> (Nyatoh), <i>Shorea pauciflora</i> (Oba suluk), <i>Neolamarckia cadamba</i> (Laran), <i>Duabanga moluccana</i> (Magas), <i>Alstonia spp.</i> (Pulai), <i>Annonaceae spp.</i> (Karai), <i>Eugenia spp.</i> (Obah), <i>Sindora beccariana</i> (Sepetir), Lauraceae (Medang), Lithocarpus & Quercus (Mempening), Myristicaceae (Darah-darah), <i>Dillenia spp.</i> (Simpur), <i>Cotylelobium spp.</i> (Resak batu), <i>Cratoxylum arborescens</i> (Serungan), <i>Pentace spp.</i> (Takalis), <i>Pterocymbium javanicum</i> (Teletu), Parartocarpus or Artocarpus (Terap), Prerospermum (Bayor), <i>Koompassia excelsa</i> (Mengaris), <i>Dyera spp.</i> (Jelutong), Annonaceae (Pisang-pisang), <i>Azadirachta excelsa</i> (Bawang-bawang), <i>Castanopsis motleyana</i> (Berangan), <i>Magnolia candollii</i> (Chempaka), <i>Meliosma sumatrana</i> (Gapas-gapas), <i>Parkia spp.</i> (Petai), <i>Mangifera</i> (Assam), <i>Tristaniopsis merguensis</i> (Pelawan-pelawan), <i>Hopea sangal</i> (Gagil), <i>Heritiera simplicifolia</i> (Kembang), <i>Calophyllum obliquinervium</i> (Bintangor), <i>Camnosperma auriculatum</i> (Terentang), <i>Combretocarpus spp.</i> (Perapat hutan), Imported product: Veneer (Okoume - plantation species)
<b>Lead Assessor</b>	Franklin Emang
<b>Assessor(s)</b>	Cynthia D. John
<b>FDS Staff</b>	RH Mohd. Faizal Bosirin (PPM Senagang)

### Terms of Assessment

The scope of the evaluation is to verify compliance of the Focus Lumber Berhad to the criteria within the Sabah Timber Legality Assurance System (TLAS) Principle 5 - Mill Operations and Principle 6 - Trade and Customs standards. Compliance is defined when the organization demonstrates that there is no non-compliance to any applicable criteria. Non-compliance to the Sabah Legality Standard occurs when the organization does not comply with 1 or more criteria. Non-compliance must be formally addressed prior to certification or within 2 months following a surveillance assessment.

### Limitations of Assessment

The information presented in this report is based on documentation and other information presented by the client and observations made during the field verification under the assessment. Reporting of information presented by the client are taken as accurate, unless evaluated differently through the observations made during the assessment. All information presented in the report is accurate and complete to the best of knowledge of GFS.

### Background Information:

Focus Lumber Berhad is registered in Kuala Lumpur, Malaysia with registration # 188710-V. The company produced and traded sawn timber and plywood for local market and exported to West Malaysia, The United States of America (USA), Canada, Japan, Korea, Taiwan, India, Hong Kong, Thailand, Marshall Islands in 2017. For 2018, Focus Lumber Berhad only exported plywood and veneer to Puerto Rico, Hong Kong, Taiwan, Korea, USA, Thailand, Japan, United Kingdom, West Malaysia and India.

The previous assessment was conducted in July 2018 that resulted in 2 gap(s) and 0 observation(s) (report #: G162-451).

### Associated Organizations & Subcontractors:

Focus Lumber does not engage other companies as subcontractors to provide or manufacture products.

### Description of the Supply Chain:

From July 2018 to June 2019, Focus Lumber purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	FDS TLAS-CC (Expiry Date)	GFS Audit Statement # (Expiry Date)
Mekar Mewah Sdn. Bhd.	JP(STG)010/2016 (F1)	Round Logs	Tongod	FDS(SLS)016/2018 (30/04/2019) *	GFS 097 LVS (30/04/2019) *
Mohd. Azreen B. Datuk Mohd. Amin	FIIB: JPHTN/FRM 700-2/4/1/111/JLD.4/30	Round Logs	Kota Kinabalu	-	-
Bornion Timber Sdn. Bhd.	SFMLA 03/97 (KGU 12/17, KGU 08/17, KGU 10/17, KGU 09/17, KGU 11/17, KGU 03/18)	Round Logs	Sook	FDS(SLS)044/2018 (31/08/2019)	GFS 054 LVS (31/08/2019)
TSH Resources Berhad	SFMLA 07/97 (SDK 12/18, SDK 13/18)	Round Logs	Beluran	<i>Non-compliance</i>	<i>Non-compliance</i>
Sikin Bin Ating & 206 Peserta (Wawasan Jayajuta Sdn. Bhd.)	JP(NSO)001/2018 (bF1)	Round Logs	Sook	<i>Operation completed</i>	<i>Operation completed</i>
Rakyat Berjaya Sdn. Bhd. (Expo Utama Sdn. Bhd.)	SFMLA 09/97(con) (TWU 17/11)	Round Logs	Tawau	<i>Non-compliance</i>	<i>Non-compliance</i>
Jawala Plantation Industries Sdn. Bhd.	SFMLA 02/15	Round Logs	Tibow	FDS(SLS)009/2019 (30/05/2020)	GFS 100 LVS (30/05/2020)
Lembaga Kemajuan Tanah Negeri Sabah	JP(NKG)006/2016 (F1)	Round Logs	Keningau	-	-
Hj Akmat Bin Umal Basah & 3 Peserta	JP(NNN)002/2018 (F1)	Round Logs	Nabawan	-	-
Fatimah Bt. Sigoh & 4 Peserta	FIIB: JPHTN/FRM-2/4/1/444/JLD3/4	Round Logs	Sapulut	-	-
Saliah B. Kinon & 1 Peserta	FIIB: JPHTN/FRM 700-2/4/1/674/3	Round Logs	Nabawan	-	-
George @ Vitalis	FIIB: JPHTN/FRM 700-	Round	Kimanis	-	-

B. Eting & 4 Peserta	2/4/1/687/4	Logs			
Alex Jiwol & 1 Peserta	FIIB: JPHTN/FRM 700-2/4/1/701/13	Round Logs	Tambunan	-	-
Felicia Bte Rot & 32 Peserta	FIIB: JPHTN/FRM 700-2/4/1/589/48	Round Logs	Sipitang	-	-
Jaimis Denis Lamatin & 2 Peserta	FIIB: JPHTN/FRM 700-2/4/1/574 (A)	Round Logs	Nabawan	-	-
Pn Jaimati Zaimah Assan	FIIB: JPHTN/FRM 700-2/4/1/546	Round Logs	Sook	-	-
Sainah Jafar	FIIB: JPHTN/FRM 700-2/4/1/662(20)	Round Logs	Nabawan	-	-
Josie Mclean John & 1 Peserta	FIIB: JPHTN/FRM 700-2/4/1/612/6	Round Logs	Keningau	-	-
Arthur Ambrose & 3 Peserta	FIIB: JPHTN/FRM 700-2/4/1/631/4	Round Logs	Keningau	-	-
Brilliant Junction Sdn. Bhd.	FIIB: JPHTN/FRM 700-2/4/542(9)/30	Round Logs	Nabawan	-	-
Rusinah Soligi & 5 Peserta	FIIB: JPHTN/FRM 700-2/4/1/444/JLD.2(22)	Round Logs	Sook	-	-
Latimba B. Pamaas & 6 Peserta	FIIB: JPHTN/FRM 700-2/4/1/551/JLD2/4	Round Logs	Nabawan	-	-
Jaimah @ Zaimah Assan	FIIB: JPHTN/FRM 700-2/4/1/546	Round Logs	Sook		
Safeway International Co., Ltd	-	Veneer	Taiwan	-	-
Carl Ronnow (M) Sdn. Bhd. (McCorry & Co. Limited, Hong Kong)	-	Veneer	Gabon	**	**

Note: \* Sabah TLAS P5-6 scheduled in August 2019.

\*\* Veneer imported from Greenply Gabon SA through an agent (McCorry & Co. Limited, Hong Kong).

### Summary Results:

(Major gap = 0, Minor gap = 0, Observation = 0)

GAPs:					
GAP #	Type	Checklist	Status	Description	
003/2017	Minor Outstanding	5.2.4	Closed	<p><b>July 2018:</b> Focus Lumber developed a chain of custody system based on a monthly batch of log arrival and processing of Sabah TLAS material and production. However, the COC system was not formally documented for both local and imported material; risk assessment administration of the COC, sales, etc. as required.</p> <p>WIP and Finished goods were identified with a Production batch unit #.</p> <p><b>July 2019:</b> Focus Lumber has revised their COC procedure to include Administration Purchasing and Identification of Sabah TLAS raw material / Importing and Risk Assessment / Receiving, Handling, Storage / Production batch unit, Identification of WIP and Finished Goods / COC training, and Sales.</p>	
004/2018	Minor	(previous	Closed	<b>July 2018:</b>	

		<i>checklist</i> 6.2.2) 6.2.4	Focus Lumber imported veneer from China without conducting risk assessment to evaluate Low Risk. Focus Lumber segregated the imported veneer and identified the material as non-Sabah TLAS.  <b>July 2019:</b> Focus Lumber has conducted a Risk Assessment for its external suppliers.
--	--	-------------------------------------	--

\*Major = Non-Compliance

Obs #	Checklist	Description
-	-	-

Highlights of Close-Out Visit (if applicable)	Date -
Not applicable.	

Recommendations
<p><b>Focus Lumber Berhad</b> has demonstrated compliance with the Sabah Standard Principles 5-6 for Chain of Custody and is recommended to receive a GFS Audit Statement and STCC from FDS.</p> <p>The next surveillance visit is scheduled in May 2020.</p>

**End of Summary Report**